payment of arrears to the RRB employees. The Hon'ble Supreme Court passed an order on 12th September, 1994 directing the Union of India and National Bank for Agriculture and Rural Development (NABARD) to prepare a scheme in consultation with the Employees' Association within four weeks. Government of India have appointed a Committee under the Chairmanship of Shri K. Basu, General Manager, NABARD with 6 others as Members. The Committee has concluded the process of consultation with the Employees' Associations and the final report of the Committee is expected to be submitted to the Government shortly. Thereafter, the Scheme for payment of arrears will be submitted by the Government of India to the Hon'ble Supreme Court. The Hon'ble Supreme Court had kindly extended the date of submission of the Scheme first upto 31-12-1994 and subsequently the next date has been fixed for 1-5-1995.

Foreign exchange reserves

1042. *PROF. VIJAY KUMAR MALHOTRA:*

SHRI KRISHAN LAL SHARMA:

Will the Minister of FINANCE be pleased to state:

(a) what is the total amount of foreign exchange reserve held by Government as on date; and

(b) how much of this reserve has been earned from exports and how much has been taken on loan from IMF and the World Bank, separately?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) The foreign exchange reserves (including gold and SDRs,) stood at US $ 23,951 million as on 28th February, 1995.

(b) The stock of reserves at any point of time is the result of several transactions on the current account and capital account over the years. The Balance of Payments (BOP) provides a disagregated picture of the factors underlying the change in reserves during any period of time. The BOP data which are available upto April-September, 1994 are set out in the Table below:

India's overall balance of payments

(US $ Million)

Item	1994-95 (April-September)
Exports f.o.b.	11853
Imports c.i.f.	13385
Trade Balance	—1532
Invisibles, net	1096
Current Account	—436
External Assistance, net	281
External Commercial Borrowings, net	—302
NRI Deposits, net	536
Foreign Investment	2586
Rupee Debt Service	—650
Other Capital, net	2441
Capital Account	4892
Overall Balance	4456
IMF, net	—1134
SDR Allocation	—3322
Reserves and Monetary Gold Increase (—)/Decrease (+)	

Source Reserve Bank of India :

Modvat credit facility spawns paralel Scam

1043. PROF. VIJAY KUMAR MALHOTRA: Will the Minister of FINANCE be pleased to state:

(a) whether the attention of Government has been drawn to the

news-item captioned "Modvat credit facility spawns parallel scam" appearing in the 'Indian Express' dated the 31st August, 1994;

(b) if so, the facts thereof; and

(c) the action taken in the matter by Government?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) to (c) Yes, Sir, the referred news item which appeared in the Indian Express dated 31-8-94 has been seen by the Government. It has been reported that subsequent to extension of facility to the dealers to issue modvatable invoices, few cases of parallel invoicing have been detected by the Department. These are being dealt with in occ ordance with the provisions in the law. In the meanwhile, the Department has also issued detailed instructions, which, inter-alia, build into the procedure, several safeguards against possible abuses.

RBI on inflation

1044. PROF. VIJAY KUMAR MALHOTRA: Will the Minister of FINANCE be pleased to state:

(a) whether the attention of Government has been drawn to the news article captioned "Runaway inflation. RBI sounds a warning" appearing in the 'Indian Express' dated 13th October, 1994;

(b) if so, the salient facts thereof; and

(c) the action taken thereon by Government?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) Yes, Sir.

(b) It is a write up of Prof. Madhu Dandvate quoting the Annual Report of RBI for 1993-94 in which the possible impact of higher foreign exchange inflows on inflation has been highlighted.

(c) Government remains concerned about the renewal of the inflationary pressures and has undertaken a series of measures to dampen the inflationary uptrend. Some of these measures are listed below:

(i) Release of foodgrains from public stocks through open market sale by Food Corporation of India.

(ii) Placing import of sugar on OGL at zero duty.

(iii) Ensuring sugar availability for PDS by importing nearly 10 lakh tonnes at zero duty.

(iv) Allowing import of palmolein oil under OGL.

(v) Importing 1.07 lakh tonnes of palmolein oil for supply to consumers through PDS.

(vi) With effect from March 1995, allowing import of major edible oils under OGL at reduced duty of 30 per cent.

(vii) Allowing cotton import under OGL at zero duty.

(viii) Placing a cap on Central Government's borrowings from the RBI through the issue of ad hoc Treasury Bills and containing monetary growth through a series of measures including raising of CRR and sale of Government securities by the RBI.

Study carried out by N.C.E.R.O. on smuggling

1045. SHRI GUNDAPPA KORWAR: Will the Minister of FINANCE be pleased to state:

(a) whether the World Bank has entrusted the New Delhi based National Council of Economic Research Organisation to carry out study on